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U.S. DEPARTMENT OF AGRICULTURE

FARM BUSINESS FACTS

Broadcast by Frank George, Bureau of Agricultural Economics, and Wallace L. Kadderly, Radio Service, Monday, May 6, 1940, in the Department of Agriculture period, National Farm and Home Hour.

-ooOoo-

KADDERLY:

About this time every month the Bureau of Agricultural Economics draws a map that shows the latest developments on the farm front. I have in my hand a copy of this map for the month of May. On it there are pictures of cows and cattle and pigs; and cotton and corn; fruits and vegetables; and there are pictures of wheat, boxes of eggs, and so on. And I see on this map several headlines describing conditions in these different farm industries. The man who prepared this map and the information that goes along with it is here in the studio. He is Frank George of the Bureau's information staff.....Frank, suppose we consider a few of these things. Take this item that says the consumer demand for farm products is expected to improve this summer and fall. How about that?

GEORGE:

The basis for that statement, Wallace, is that the production of industrial commodities is likely to increase this summer. Not much but anyhow - improvement. Naturally this should mean bigger payrolls and more dollars for consumers.

KADDERLY:

And what do consumers do in a case like that?

GEORGE:

Maybe they go for a big porterhouse steak with plenty of fried onions or mushrooms and other vegetables. Maybe half a fried chicken. Maybe a thick slice of country ham. Maybe a great big plate of strawberry shortcake with the red, red juice running down all over, and a big splash of whipped cream on top, and right in the center - Man!

KADDERLY:

Stop! Stop! You're breaking my heart. This is economics, you know.

GEORGE:

Sure it's economics. Human wants and desires. More money for consumers, more money for farmers. It all adds up.

KADDERLY:

Now getting back to this map, Frank - here's a boat headed out into the Atlantic, and alongside it says that exports of farm products are being restricted by foreign quotas and other wartime barriers. I know that exports of wheat and tobacco are way down, and the exports of fruits of all kinds have been reduced. Pork and lard are not going out in the quantities you should normally expect when production is heavy and prices are low..... But what about our export prospects for those products in the light of Germany's occupation of Denmark and Norway?

GEORGE:

Our people have been studying that situation, but they see no immediate increase in United States exports of bacon and ham to Great Britain. The situation is that Great Britain already has large stocks of bacon, and besides, the chances are that any large increases in purchases will be from Canada rather than from the United States. Perhaps later on when the British stocks are reduced there will be some increase in United States exports. But that's all in the future.

KADDERLY:

But the exports of cotton have been pretty good.

GEORGE:

That's right, Wallace. Cotton has been practically the one exception. But that's not because of an increased wartime demand. It's because of the help the Government has given in its export program and the fact that Europe has been running short of cotton. Now the European countries are loaded up again, and unless the unexpected should happen, many persons think the outlook for cotton exports during the coming season is not so good.

KADDERLY:

And that goes for all the other export products, I take it..... tobacco.....and fruits of all kinds.....but what about the world supply of wheat.....That will have an effect upon our exports of wheat.

GEORGE:

The world wheat crop is likely to be smaller this year.....but most of the reduction will be in the United States on account of the bad growing conditions last winter in the Great Plains. Europe also will have - somewhat smaller crop, since the weather conditions have not been so good over there. The United States will have wheat to export during the coming season, but of course a lot depends on prices and transport facilities across the ocean, and many other things that are not clear now.

KADDERLY:

Well it seems, in view of what you've said there, there's nothing very encouraging in the export situation. Possibly later on the export business for pork products will improve, but not in the near future..... but the European War certainly has been no help.....so far.....to American farmers.....Now coming back to America, Frank, is there any line on this season's crops and livestock? May is the month when the production of poultry and dairy products - milk and eggs - is pretty heavy, and the marketings of truck crops, lambs, and hogs increases.

GEORGE:

True enough, Wallace. You mentioned lambs. Here's some information on that. Fed lambs are higher priced this spring than last, principally on account of higher wool prices. Heavy marketings of yearling lambs are expected from Texas this month and next. Also, the marketings of lambs from the Northwest will probably be heavier during the last half of this month and in June.

KADDERLY:

What about wool?

GEORGE:

A new domestic wool clip is being marketed, and imports of wool are declining. The domestic prices of wool are thirty to forty percent higher this spring than last.

KADDERLY:

Now Frank, let's consider a little bit the question of prices of farm products. At this time of year, in view of heavy marketings of poultry and dairy products, and truck crops, hogs and so on, prices of farm products on the whole are put to a rather severe test.

GEORGE:

That's right. But prices have been holding up pretty well so far. And largely because of the improvement that is expected in consumer demand the Bureau's economists believe that the average of prices of all farm products combined during the next few months will continue higher than in nineteen thirty-nine. The big exception is hogs which are selling much lower this spring on account of the unusually large production of pigs last year. At the same time, farmers are paying higher prices for feed for livestock.

KADDERLY:

Of course that rather complicates the problem of the livestock producers who have to buy feed. And it probably means, for one thing, that the production of pigs will be smaller this spring.

GEORGE:

We'll know more about the new pig crop this spring when the Government report comes out next month.....Meanwhile, the farmers all over the country are busy putting in the new crops.....employing some two and a half million hired hands....and at slightly higher wages. In total they are planting and cultivating about the same acreage of crops this year as last.....less corn but more soybeans.....less tobacco.....fewer peanuts....more spring wheat....more flaxseed.....and more grain sorghums.

KADDERLY:

(ad lib conclusion)

